



February 9, 2005

## HOUSE BILL No. 1385

DIGEST OF HB 1385 (Updated February 3, 2005 12:03 pm - DI 14)

**Citations Affected:** IC 4-30; IC 6-8.1; IC 10-16; IC 10-17; IC 20-10.1; noncode.

**Synopsis:** High school diplomas and benefits for veterans. Provides a \$150,000 death benefit for a member of the national guard or a reserve component who dies while on military duty outside the United States beginning September 11, 2001. Appropriates an amount sufficient for the death benefit. Establishes the veterans' affairs trust fund to finance certain benefits and services to eligible veterans and to fund veteran related projects authorized by the veterans' affairs commission. Funds the trust fund by: (1) taxpayer designation of all or part of a state income tax refund; (2) a quarterly allocation of 0.5% of the surplus revenue in the administrative trust fund; (3) donations; and (4) appropriations or other amounts provided for the fund. Provides that benefits available to eligible veterans from the fund include: (1) tuition reimbursement; (2) temporary emergency aid grants for subsistence and health care; (3) personal loans; (4) an assistance program for veterans in need of services; (5) retraining grants; (6) allocations to the state armory board for use by the military department ceremonial unit in rendering appropriate military honors at state functions and veteran funeral services; (7) grants to veterans' associations, veterans' organizations, and memorial corporations; and (8) grants to county service officers to improve services to veterans. Requires the department of veteran's affairs to establish a program to reimburse a resident medal of honor awardee for participating in patriotic and other official events. Appropriates an amount sufficient to reimburse medal of honor awardees. Provides that a veteran of the Korean Conflict who left a public or nonpublic high school without graduating in order to perform military service is entitled to receive a high school diploma.

**Effective:** July 1, 2005.

**Murphy, Reske**

January 13, 2005, read first time and referred to Committee on Public Policy and Veterans Affairs.  
February 8, 2005, reported — Do Pass; referred to Committee on Ways and Means pursuant to Rule 127.

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February 9, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1385

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-30-16-3 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The commission  
3 shall transfer the surplus revenue in the administrative trust fund as  
4 follows:

5 **(1) Before the last business day of January, April, July, and**  
6 **October, the commission shall transfer to the treasurer of**  
7 **state, for deposit in the veterans' affairs trust fund established**  
8 **by IC 10-17-12-9, an amount equal to one-half percent (0.5%)**  
9 **of the surplus revenue in the administrative trust fund on the**  
10 **first day of January, April, July, and October.**

11 **(+) (2) Before the last business day of January, April, July, and**  
12 **October, the commission shall transfer to the treasurer of state, for**  
13 **deposit in the Indiana state teachers' retirement fund**  
14 **(IC 21-6.1-2), before July 1, 2005, seven million five hundred**  
15 **thousand dollars (\$7,500,000) and after June 30, 2005, an amount**  
16 **equal to the lesser of:**

17 **(A) seven million five hundred thousand dollars (\$7,500,000);**

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or

(B) the additional quarterly contribution needed so that the ratio of the unfunded liability of the Indiana state teachers' retirement fund compared to total active teacher payroll is as close as possible to but not greater than the ratio that existed on the preceding July 1.

After June 30, 2003, and before July 1, 2005, the amount deposited in a state fiscal year under this subdivision in the Indiana state teachers' retirement fund (IC 21-6.1-2) shall only be used by the board to reduce the employer contribution rate that school corporations would otherwise pay after June 30, 2003, and before July 1, 2005, to the Indiana state teachers' retirement fund (IC 21-6.1-2), as computed under IC 5-10.2-2 and certified under IC 21-6.1-7-12, for teachers covered by the 1996 account, including a proportionate share of administration expenses for the 1996 account. On or before June 15, 2005, and June 15 of each year thereafter, the board of trustees of the Indiana state teachers' retirement fund shall submit to the treasurer of state, each member of the pension management oversight commission, and the auditor of state its estimate of the quarterly amount needed to freeze the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) as a percent of payroll. The estimate shall be based on the most recent actuarial valuation of the fund. Notwithstanding any other law, including any appropriations law resulting from a budget bill (as defined in IC 4-12-1-2), after June 30, 2005, the money transferred under this subdivision shall be set aside in a special account to be used as a credit against the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) of the Indiana state teachers' retirement fund. The money transferred is in addition to the appropriation needed to pay benefits for the state fiscal year.

~~(2)~~ (3) Before the last business day of January, April, July, and October, the commission shall transfer:

(A) two million five hundred thousand dollars (\$2,500,000) of the surplus revenue to the treasurer of state for deposit in the "k" portion of the pension relief fund (IC 5-10.3-11); and

(B) five million dollars (\$5,000,000) of the surplus revenue to the treasurer of state for deposit in the "m" portion of the pension relief fund (IC 5-10.3-11).

~~(3)~~ (4) The surplus revenue remaining in the fund on the last day of January, April, July, and October after the transfers under subdivisions (1), ~~and~~ (2), and (3) shall be transferred by the

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commission to the treasurer of state for deposit on that day in the build Indiana fund.

(b) The commission may make transfers to the treasurer of state more frequently than required by subsection (a). However, the number of transfers does not affect the amount that is required to be transferred for the purposes listed in subsection (a)(1), ~~and~~ (a)(2), **and (a)(3)**. Any amount transferred during the month in excess of the amount required to be transferred for the purposes listed in subsection (a)(1), ~~and~~ (a)(2), **and (a)(3)** shall be transferred to the build Indiana fund.

SECTION 2. IC 6-8.1-9-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 5. (a) As used in this section, "trust fund" refers to the veterans' affairs trust fund established by IC 10-17-12-9.**

**(b) An individual who:**

- (1) is a resident of Indiana;**
- (2) files an individual income tax return; and**
- (3) is entitled to a refund from the department because of the overpayment of income tax for a taxable year;**

**may designate on the individual's annual state income tax return that all or part of a refund to which the individual is entitled be paid to the trust fund. If the individual designates an amount that is greater than the amount to which the individual is entitled as a refund, the entire amount of the individual's refund must be paid to the trust fund.**

**(c) A husband and wife who:**

- (1) are residents of Indiana;**
- (2) file a joint income tax return; and**
- (3) are entitled to a refund from the department because of the overpayment of income tax for a taxable year;**

**may designate on their annual state income tax return that all or part of a refund to which they are entitled be paid to the trust fund. If the husband and wife designate an amount that is greater than the amount to which they are entitled as a refund, the entire amount of their refund must be paid to the trust fund.**

**(d) If an individual or a husband and wife who designate a donation to the trust fund under this section also designate a donation to the nongame fund under section 4 of this chapter, the department shall first apply the refund to the payment of the donation to the trust fund. The balance, if any, of the refund remaining after payment of the donation to the trust fund shall be applied to payment of the donation made by the individual or the husband and wife to the nongame fund under section 4 of this**

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chapter.

(e) The instructions for the preparation of individual income tax returns must include a description of the purposes and uses of the trust fund that is written in cooperation with the Indiana department of veterans' affairs.

SECTION 3. IC 10-16-7-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8.5. (a) If a member of the Indiana National Guard or a member of any reserve component of the Indiana National Guard or armed forces of the United States who is a resident of Indiana dies after September 10, 2001, while on a day of military duty, a special death benefit of one hundred fifty thousand dollars (\$150,000) shall be paid in a lump sum from the state general fund to the following relative of the member:

(1) The surviving spouse.

(2) If there is not a surviving spouse, the surviving children (to be shared equally).

(3) If there is not a surviving spouse and there are no surviving children, the parent or parents in equal shares.

(b) The adjutant general shall adopt rules under the authority given to the adjutant general under IC 10-16-2-9 to make the payments under subsection (a)

(c) There is annually appropriated to the adjutant general an amount sufficient from the state general fund to make the payments under subsection (a).

SECTION 4. IC 10-17-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The commission may do acts necessary or reasonably incident to the fulfillment of the purposes of this chapter, including the following:

(1) Adopt rules under IC 4-22-2 to administer this chapter.

(2) Advise the veterans' state service officer in problems concerning the welfare of veterans.

(3) Determine general administrative policies within the department.

(b) The commission's duties also include performance of the duties described in IC 10-17-12 for the veterans' affairs trust fund.

SECTION 5. IC 10-17-1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The director of veterans' affairs:

(1) is the executive and administrative head of the department of veterans' affairs; and

(2) shall direct and supervise the administrative and technical

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activities of the department;  
subject to the general supervision of the commission.

(b) The duties of the director include the following:

(1) To attend all meetings of the commission and to act as secretary and keep minutes of the commission's proceedings.

(2) To appoint, by and with the consent of the commission, under this chapter and notwithstanding IC 4-15-2, the employees of the department necessary to carry out this chapter and to fix the compensation of the employees. Employees of the department must be:

(A) honorably discharged veterans who have had at least six (6) months service in the armed forces of the United States and who are citizens of the United States and Indiana; or

(B) spouses, surviving spouses, parents, or children of an individual described in clause (A).

An employee must qualify for the job concerned.

(3) To carry out the program for veterans' affairs as directed by the governor and the commission.

(4) To carry on field direction, inspection, and coordination of county and city service officers as provided in this chapter.

(5) To prepare and conduct service officer training schools with the voluntary aid and assistance of the service staffs of the major veterans' organizations.

(6) To maintain an information bulletin service to county and city service officers for the necessary dissemination of material pertaining to all phases of veterans' rehabilitation and service work.

(7) To perform the duties described in IC 10-17-11 for the Indiana state veterans' cemetery.

**(8) To perform the duties described in IC 10-17-12 for the veterans' affairs trust fund.**

**(9) To establish a program and set guidelines under which a medal of honor awardee who is a resident of Indiana may receive compensation when called upon to attend and participate in official ceremonies within Indiana. There is annually appropriated to the Indiana department of veterans' affairs from the state general fund an amount sufficient to cover expenses incurred under this subdivision.**

SECTION 6. IC 10-17-12 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

#### **Chapter 12. Veterans' Affairs Trust Fund**

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1        **Sec. 1. As used in this chapter, "active duty" means full-time**  
 2        **service in the armed forces, excluding full-time service for training**  
 3        **purposes.**

4        **Sec. 2. As used in this chapter, "armed forces" includes the**  
 5        **active and reserve components of the following:**

- 6            (1) The United States Army.
- 7            (2) The United States Navy.
- 8            (3) The United States Marine Corps.
- 9            (4) The United States Air Force.
- 10          (5) The United States Coast Guard.

11        **Sec. 3. As used in this chapter, "commission" refers to the**  
 12        **veterans' affairs commission established by IC 10-17-1-3.**

13        **Sec. 4. As used in this chapter, "department" refers to the**  
 14        **Indiana department of veterans' affairs established by**  
 15        **IC 10-17-1-2.**

16        **Sec. 5. As used in this chapter, "director" refers to the director**  
 17        **of veterans' affairs.**

18        **Sec. 6. As used in this chapter, "fund" refers to the veterans'**  
 19        **affairs trust fund established by section 9 of this chapter.**

20        **Sec. 7. As used in this chapter, "veteran" means a person who:**

- 21            (1) served in the armed forces; and
- 22            (2) was discharged or separated from service under other
- 23            than dishonorable conditions.

24        **Sec. 8. (a) As used in this chapter, "war" includes the following**  
 25        **periods:**

- 26            (1) Spanish-American War - April 21, 1898, to July 4, 1902.
- 27            (2) Mexican border period - May 9, 1916, to April 5, 1917.
- 28            (3) World War I - April 6, 1917, to November 11, 1918.
- 29            (4) World War II - December 7, 1941, to December 31, 1946.
- 30            (5) Korean Conflict - June 27, 1950, to January 31, 1955.
- 31            (6) Vietnam era - August 5, 1964, to May 7, 1975.
- 32            (7) Persian Gulf War - August 2, 1990, to a date to be set by
- 33            presidential proclamation or federal law.
- 34            (8) Afghanistan War - September 11, 2001, to a date to be set
- 35            by presidential proclamation or federal law.
- 36            (9) Iraq War - March 19, 2003, to a date to be set by
- 37            presidential proclamation or federal law.
- 38            (10) The period beginning on the date of any declaration of
- 39            war, after June 30, 2005, by the United States Congress and
- 40            ending on the date prescribed by presidential proclamation or
- 41            concurrent resolution of the United States Congress.
- 42            (11) Actual combat or duty equally hazardous, regardless of

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time, or service in any foreign war, insurrection, or expedition, for which service is recognized by the award of a service or campaign medal of the United States.

(12) Service on a vessel of the United States on ocean, coastwise, or intercoastal voyages, regardless of time, under conditions of danger to life and property or subjected to hostile action by an enemy government or hostile force.

(b) As used in this section, "vessel of the United States" means a vessel documented or numbered under the laws of the United States or titled under the laws of a state.

Sec. 9. (a) The veterans' affairs trust fund is established for the purpose of:

- (1) financing the education, economic assistance, and other benefits and services that the state provides to veterans; and
- (2) funding various veteran related projects authorized by the commission;

under this chapter.

(b) The department may expend the money in the fund exclusively to provide the programs and projects described in subsection (a).

(c) The director shall administer the fund.

Sec. 10. (a) The fund consists of the following:

- (1) Refunds designated for the fund under IC 6-8.1-9-5.
- (2) Allocations to the fund under IC 4-30-16-3.
- (3) Appropriations made by the general assembly.
- (4) Donations to the fund.
- (5) Interest as provided in subsection (c).
- (6) Money transferred to the fund from other funds.
- (7) Money from any other source authorized or appropriated for the fund.

(b) The expenses of administering the fund and this chapter shall be paid from the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) An appropriation made by the general assembly to the fund shall be allotted and allocated at the beginning of the fiscal period for which the appropriation was made.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund or to any other fund.

(f) Except as provided by an enactment of the general assembly,

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there is annually appropriated to the department all money in the fund for purposes of this chapter.

Sec. 11. (a) To receive the education, economic assistance, and other benefits and services that the state provides to veterans under this chapter, a veteran must establish eligibility based on:

(1) required service in the armed forces as described in subsection (b); and

(2) state residency requirements as described in subsection (c).

(b) A veteran must establish eligibility based on service in the armed forces in one (1) of the following ways:

(1) At least two (2) years of continuous active duty service.

(2) Less than two (2) years of active duty service, if the veteran received a discharge based on:

(A) a service connected disability;

(B) hardship; or

(C) a reduction in force.

(3) Completion of the veteran's initial service obligation of less than two (2) years.

(4) At least ninety (90) days of active duty service during a war.

(c) A veteran must establish eligibility based on state residency in one (1) of the following ways:

(1) Residency at the time the veteran entered or reentered active duty in the armed forces.

(2) Residency for twelve (12) consecutive months any time after entering or reentering active duty in the armed forces.

(d) In addition to establishing state residency under subsection (c), a veteran must live in Indiana when the veteran applies for benefits under this chapter.

Sec. 12. (a) As used in this section, "approved institution of higher learning" has the meaning set forth in IC 20-12-21-3.

(b) As used in this section, "part-time study" means enrollment by an eligible veteran in courses for which not more than eleven (11) semester hours (or the equivalent trimester or quarter credits) will be granted upon satisfactory completion.

(c) A veteran is eligible for tuition reimbursement under this section if:

(1) the annual income of the veteran and the veteran's spouse does not exceed the Indiana median household income (as determined by the department of workforce development);

(2) the veteran applies for tuition reimbursement for courses begun at an approved institution of higher learning not later

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than ten (10) years after the veteran's date of discharge or separation from service; and

(3) the veteran demonstrates that the course work or course of study is related to the veteran's occupational, professional, or employment objectives.

(d) A veteran who is receiving:

(1) a National Guard tuition supplement grant under IC 20-12-74; or

(2) a retraining grant under section 16 of this chapter;

is not eligible for tuition reimbursement under this section.

(e) Subject to subsection (f), a veteran who:

(1) meets the eligibility requirements of:

(A) this section; and

(B) section 11 of this chapter; and

(2) completes an application for tuition reimbursement in a form specified by the department;

is entitled to reimbursement equal to the total cost of tuition (minus the amount of any grants or scholarships the veteran receives specifically for the payment of tuition) for full-time or part-time study.

(f) The maximum reimbursement available under this section to an eligible veteran is based on the veteran's cumulative total of active duty and may not exceed the following:

(1) Less than ninety (90) days of active duty, no reimbursement.

(2) At least ninety (90) days but less than one hundred eighty (180) days of active duty, thirty (30) semester hours (or the equivalent trimester or quarter credits) or two (2) semesters (or the equivalent trimesters or quarters).

(3) At least one hundred eighty (180) days but less than two (2) years of active duty, sixty (60) semester hours (or the equivalent trimester or quarter credits) or four (4) semesters (or the equivalent trimesters or quarters).

(4) At least two (2) years of active duty, one hundred twenty (120) semester hours (or the equivalent trimester or quarter credits) or eight (8) semesters (or the equivalent trimesters or quarters).

(g) Not later than sixty (60) days after a course or semester, trimester, or quarter is successfully completed, a veteran must submit evidence of completion to receive the tuition reimbursement, unless there is good cause for the delay.

(h) The commission may adjust the tuition reimbursement rate

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1 if the amount in the fund is insufficient to pay for the full  
2 reimbursement for all eligible veterans.

3 Sec. 13. (a) Subject to the limitations in this chapter, a veteran  
4 who meets the eligibility requirements of this section and section 11  
5 of this chapter is entitled to receive either or both of the following  
6 temporary emergency aid grants:

7 (1) A subsistence aid grant.

8 (2) A health care aid grant.

9 (b) The maximum amounts that a veteran may receive under  
10 this section are as follows:

11 (1) The cumulative lifetime total for temporary aid grants is  
12 five thousand dollars (\$5,000).

13 (2) For subsistence aid grants, the maximum amount is two  
14 thousand dollars (\$2,000) in a twelve (12) month period.

15 (3) For health care aid grants, the maximum amounts are the  
16 following:

17 (A) Dental and dentures: two thousand five hundred  
18 dollars (\$2,500).

19 (B) Hearing aids: one thousand five hundred dollars  
20 (\$1,500).

21 (C) Eyeglasses: five hundred dollars (\$500).

22 (c) The department may not award a temporary aid grant to a  
23 veteran if:

24 (1) the expense for which the grant is sought is covered by  
25 insurance or other third party payment;

26 (2) the veteran is eligible for any other federal, state, or  
27 veterans' assistance program that would cover the expense for  
28 which the grant is sought; or

29 (3) the combined liquid assets of the veteran, the veteran's  
30 spouse, and the veteran's dependents who are living in the  
31 same household with the veteran exceed one thousand dollars  
32 (\$1,000). For purposes of this subdivision, liquid assets  
33 includes all readily available financial resources, such as cash,  
34 checking, savings, money market accounts, stocks, bonds, and  
35 individual retirement accounts.

36 (d) The department may award a subsistence aid grant to an  
37 eligible veteran for up to ninety (90) days after a loss of income  
38 that is the result of:

39 (1) an illness;

40 (2) a disability;

41 (3) a death;

42 (4) substance abuse, if the veteran is participating in a

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1 treatment program approved by the department; or

2 (5) a natural disaster.

3 (e) The amount of a subsistence aid grant is the lesser of:

4 (1) the veteran's lost income; or

5 (2) the amount required to provide basic subsistence to the  
6 veteran, such as food, housing, utilities, medication, and basic  
7 transportation.

8 (f) The department may award a health care aid grant to an  
9 eligible veteran to pay for essential medical and dental care,  
10 including:

11 (1) emergency care provided to the veteran not more than  
12 ninety (90) days before the veteran files an application for a  
13 health care grant; or

14 (2) treatment of substance abuse or health care required  
15 because of substance abuse.

16 (g) A medical authority acceptable to the department shall  
17 verify:

18 (1) a veteran's illness or disability, for purposes of a  
19 subsistence aid grant; or

20 (2) whether the medical or dental care is essential, for  
21 purposes of a health care aid grant.

22 Sec. 14. (a) The loan program established under this section is  
23 a special purpose credit program for an economically  
24 disadvantaged class of persons for purposes of the federal Equal  
25 Credit Opportunity Act, 15 U.S.C. 1691-1691f.

26 (b) The department may make one (1) or more personal loans  
27 to a veteran who meets the eligibility requirements of this section  
28 and section 11 of this chapter.

29 (c) The total amount of all personal loans made to a veteran  
30 under this section may not exceed five thousand dollars (\$5,000).

31 (d) The commission shall prescribe the conditions of a loan  
32 made under subsection (b), except that:

33 (1) the term of the loan may not exceed ten (10) years;

34 (2) the borrower must sign a promissory note as evidence of  
35 the loan; and

36 (3) the loan must be secured by a guarantor.

37 (e) The department may charge the expenses of making a loan  
38 under this section to the borrower.

39 (f) The department shall ensure that the proceeds of a loan  
40 made under this section are first applied to pay delinquent:

41 (1) court ordered child support; and

42 (2) amounts due to a federal, state, or local unit of

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- 1 government.
- 2 (g) The department may exercise the following powers and
- 3 duties in connection with loans made under this section:
- 4 (1) Execute the necessary instruments.
- 5 (2) Collect interest and principal.
- 6 (3) Compromise indebtedness.
- 7 (4) Sue and be sued.
- 8 (5) Post bonds.
- 9 (6) Write off indebtedness that the department determines is
- 10 not collectible.
- 11 (h) The department shall pay into the fund all:
- 12 (1) interest and principal repaid on; and
- 13 (2) amounts received for expenses incurred in making;
- 14 a loan under this section.
- 15 (i) The commission may adopt rules under IC 4-22-2 for the
- 16 distribution of loans under this section, including the following:
- 17 (1) Underwriting criteria.
- 18 (2) Application procedures.
- 19 (3) Other provisions that the commission determines
- 20 necessary to ensure the efficient administration of this section.
- 21 Sec. 15. (a) The department shall administer a program to
- 22 provide assistance to veterans:
- 23 (1) who are eligible under this chapter; and
- 24 (2) whose need for services is based on the veteran's
- 25 homelessness, incarceration, or other circumstances as
- 26 determined by the commission.
- 27 (b) The commission shall designate the assistance available
- 28 under this section, which may include any or all of the following:
- 29 (1) Medical care.
- 30 (2) Dental care.
- 31 (3) Education.
- 32 (4) Employment.
- 33 (5) Transitional housing.
- 34 (c) The commission may:
- 35 (1) charge fees for; or
- 36 (2) make grants to providers to facilitate;
- 37 the assistance provided under this section.
- 38 Sec. 16. (a) The department may award to a veteran who meets
- 39 the eligibility requirements of this section and section 11 of this
- 40 chapter one (1) or more grants for retraining to enable the veteran
- 41 to obtain gainful employment.
- 42 (b) The department shall determine the amount of a grant based

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on the veteran's financial need. However, the following are the maximum amounts a veteran may receive under this section:

(1) For each program or course, three thousand dollars (\$3,000).

(2) For a veteran's lifetime, six thousand dollars (\$6,000).

(c) The department may make a grant under this section if a veteran meets all the following requirements:

(1) The veteran is unemployed, is underemployed, or has received a notice of termination of employment.

(A) For purposes of this subdivision, a veteran is unemployed if the veteran was involuntarily laid off or discharged (not because of the veteran's willful conduct) not more than twelve (12) months before filing an application for a retraining grant and after at least six (6) months of employment:

(i) with the same employer; or

(ii) in the same or a similar occupation.

(B) For purposes of this subdivision, a veteran is underemployed if:

(i) the veteran is currently employed, but the veteran's current annual income does not exceed the federal poverty guidelines that apply to the veteran's household; and

(ii) the veteran's income was involuntarily reduced in the year before the current year.

(2) The veteran has been accepted or is enrolled in:

(A) a technical education program that is not part of or creditable toward a baccalaureate degree program at:

(i) a state educational institution (as defined in IC 20-12-0.5-1);

(ii) a postsecondary proprietary education institution accredited under IC 20-1-19; or

(iii) Ivy Tech State College established by IC 20-12-61-2; or

(B) a structured on-the-job training program that meets the requirements established by the commission.

(3) The veteran meets the financial assistance criteria established by the commission.

(4) The veteran has not received:

(A) tuition reimbursement under section 12 of this chapter; or

(B) another federal, state, or local grant;

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for the program or course work for which the veteran has applied for a grant under this section.

(5) The department determines that the veteran's proposed program or course work will provide retraining that could enable the veteran to find gainful employment. In making the determination, the department shall consider whether the proposed program:

(A) provides adequate employment skills; and

(B) is in an occupation for which favorable employment opportunities are anticipated.

(d) A veteran who receives a grant under this section shall submit evidence of successful completion of the program or course work for which the grant was received to the department. If the veteran does not provide the department with evidence of successful completion of the program or course work for which the grant was received, the department shall seek repayment of the grant.

(e) The commission may adopt rules under IC 4-22-2 for the distribution of grants under this section, including the following:

(1) Selection procedures.

(2) Uniform need determination procedures.

(3) Application procedures.

(4) Repayment procedures.

(5) Coordination with other occupational training programs.

(6) Other areas in which the department determines that rules are necessary to assure the uniform administration of the grant program under this section.

Sec. 17. In accordance with rules adopted by the commission under IC 4-22-2, the commission may allocate money in the fund to the state armory board for use by the military department of Indiana ceremonial unit established by IC 10-16-5-1 in rendering appropriate military honors at:

(1) state functions; and

(2) funeral services for those who served in the armed forces.

Sec. 18. (a) This section applies to the following organizations:

(1) A veterans association established under IC 10-18-6.

(2) A memorial corporation established under IC 10-18-7.

(3) A veterans organization listed in IC 10-18-8-1.

(b) An organization listed in subsection (a) may apply to the department for a grant to:

(1) develop, maintain, or expand services for veterans; or

(2) undertake veteran related projects.

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1 (c) The commission may adopt rules under IC 4-22-2 specifying  
2 the eligibility criteria and application procedures for grants under  
3 this section.

4 Sec. 19. (a) A county may annually apply to the department for  
5 a grant to improve the services to veterans of the county provided  
6 by the county service officer designated under IC 10-17-1-9.

7 (b) A county may not:

8 (1) allocate any part of a grant received under this section for  
9 use by another county department or agency; or

10 (2) reduce the county's funding of the county's service officer  
11 based upon the receipt of a grant under this section.

12 (c) The county service officer of a county that receives a grant  
13 under this section shall enter into an agreement with the  
14 department. The agreement must state the goals and objectives the  
15 county service officer expects to achieve using the grant. The  
16 department shall develop a reasonable budget and operation  
17 standards for the county service officer to assure improved  
18 services, but full operating control of the county service officer  
19 shall remain with the county.

20 (d) The county may annually apply for the renewal of a grant  
21 awarded under this section if the county meets the goals,  
22 objectives, and standards developed under subsection (c).

23 (e) The commission may adopt rules under IC 4-22-2 specifying  
24 the eligibility criteria and application procedures for grants under  
25 this section.

26 Sec. 20. The commission may do the following:

27 (1) Adopt rules under IC 4-22-2 to carry out this chapter.

28 (2) Contract with persons or agencies to carry out the duties  
29 established under this chapter.

30 SECTION 7. IC 20-10.1-30-3 IS AMENDED TO READ AS  
31 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this  
32 chapter, "eligible veteran" refers to an individual who has the following  
33 qualifications:

34 (1) Served as a member of the armed forces of the United States  
35 at any time during at least one (1) of the following periods:

36 (A) Beginning April 6, 1917, and ending November 11, 1918  
37 (World War I).

38 (B) Beginning December 7, 1941, and ending December 31,  
39 1946 (World War II).

40 (C) Beginning June 27, 1950, and ending January 31, 1955  
41 (Korean Conflict).

42 (2) Before the military service described in subdivision (1):

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1 (A) attended public or nonpublic high school in Indiana; and  
 2 (B) was a student in good standing at the high school  
 3 described in clause (A), to the satisfaction of the Indiana  
 4 department of veterans' affairs.

5 (3) Did not graduate or receive a diploma because of leaving the  
 6 high school described in subdivision (2) for the military service  
 7 described in subdivision (1).

8 (4) Was honorably discharged from the armed forces of the  
 9 United States.

10 **SECTION 8. [EFFECTIVE JULY 1, 2005] IC 6-8.1-9-5, as added**  
 11 **by this act, applies to taxable years beginning after December 31,**  
 12 **2005.**

13 **SECTION 9. [EFFECTIVE JULY 1, 2005] (a) Notwithstanding**  
 14 **IC 10-17-12-20, as added by this act, the director of veterans'**  
 15 **affairs shall carry out the duties imposed upon:**

16 (1) the director of veterans' affairs; or  
 17 (2) the Indiana department of veterans' affairs;  
 18 under IC 10-17-12, as added by this act, under interim written  
 19 guidelines approved by the veterans' affairs commission.

20 (b) This SECTION expires on the earlier of the following:

21 (1) The date rules are adopted under IC 10-17-12-20, as added  
 22 by this act.

23 (2) June 30, 2006.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy and Veterans Affairs, to which was referred House Bill 1385, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

ALDERMAN, Chair

Committee Vote: yeas 12, nays 0.

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